

**STATE OF TENNESSEE  
BEFORE THE COMMISSIONER OF FINANCIAL INSTITUTIONS**

**IN THE MATTER OF:**

**GREATER UNITED HOME FUNDING, INC.**

**DOCKET NO. 03.06-103669J**

**ORDER**

THIS ORDER IS AN INITIAL ORDER RENDERED BY AN ADMINISTRATIVE JUDGE WITH THE ADMINISTRATIVE PROCEDURES DIVISION.

THE INITIAL ORDER IS NOT A FINAL ORDER BUT SHALL BECOME A FINAL ORDER UNLESS:

1. THE ENROLLEE FILES A WRITTEN APPEAL, OR EITHER PARTY FILES A PETITION FOR RECONSIDERATION WITH THE ADMINISTRATIVE PROCEDURES DIVISION NO LATER THAN **September 29, 2009**.

YOU MUST FILE THE APPEAL, PETITION FOR RECONSIDERATION WITH THE ADMINISTRATIVE PROCEDURES DIVISION. THE ADDRESS OF THE ADMINISTRATIVE PROCEDURES DIVISION IS:

SECRETARY OF STATE  
ADMINISTRATIVE PROCEDURES DIVISION  
WILLIAM R. SNODGRASS TOWER  
312 EIGHTH AVENUE NORTH, 8<sup>th</sup> FLOOR  
NASHVILLE, TENNESSEE 37243-0307

IF YOU HAVE ANY FURTHER QUESTIONS, PLEASE CALL THE ADMINISTRATIVE PROCEDURES DIVISION, **615/741-7008 OR 741-5042, FAX 615/741-4472**. PLEASE CONSULT APPENDIX A AFFIXED TO THE INITIAL ORDER FOR NOTICE OF APPEAL PROCEDURES.

**STATE OF TENNESSEE  
BEFORE THE COMMISSIONER OF FINANCIAL INSTITUTIONS**

**DEPT. OF FINANCIAL INSTITUTIONS,** )  
**COMPLIANCE DIVISION,** )

**Petitioner,** )

**v.** )

**GREATER UNITED HOME FUNDING, INC.,** )

**Respondent.** )

**Docket No.: 03.06-103669J**

**TDFI No.: 09-14-C**

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**INITIAL ORDER**

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This matter came to be heard on August 25, 2009, before Administrative Law Judge Steve R. Darnell of the Administrative Procedures Division of the Tennessee Department of State, sitting for the Commissioner of the Tennessee Department of Financial Institutions (hereinafter, "Commissioner"). The Compliance Division of the Tennessee Department of Financial Institutions (hereinafter, "Petitioner") was represented by Derek Church, a staff attorney with the Department of Financial Institutions (hereinafter, "Department"). The Respondent, Greater United Home Funding, Inc. (hereinafter, "Respondent"), did not appear at the hearing.

Judge Steve R. Darnell is vested with jurisdiction to hear this matter on behalf of the Commissioner pursuant to Tenn. Code Ann. § 45-1-105 and the Tennessee Residential Lending, Brokerage and Servicing Act of 1988 as amended, at Tenn. Code Ann. §§ 45-13-101 *et seq.* (hereinafter, "Mortgage Act"). This matter is a contested case proceeding pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301, *et seq.*, initiated by the Petitioner.

## **PRELIMINARY RULINGS AND ORDER OF DEFAULT**

Pursuant to a pre-hearing Order issued on July 22, 2009, the Respondent (being a corporation) was given until August 5, 2009 to have counsel make an appearance on its behalf. The Order stated that if the Respondent did not secure counsel by August 5, 2009, an order of default would be entered as to it. After the Respondent failed to have counsel make an appearance on its behalf by August 5, 2009, a pre-hearing Order and Notice of Default was entered on August 13, 2009 finding the Respondent in default. This order provided written notice of default as required by Tenn. Code Ann. § 4-5-309, and ordered that the hearing would proceed uncontested on August 25, 2009 as scheduled.

### **ISSUE FOR DETERMINATION**

Did the Respondent allowed employees who were not register mortgage originators with the State of Tennessee originate mortgages in violation of Tenn. Code Ann. § 45-13-126(a)?

### **SUMMARY OF DETERMINATION**

After consideration of the record in this matter, it is **DETERMINED** that the Respondent **DID** commit the violations of the Mortgage Act as charged by the Petitioner, and that the maximum relief requested by the Petitioner in its Amended Notice of Charges **SHOULD** be granted. This decision is based on the findings of fact and conclusions of law set forth below.

### **FINDINGS OF FACT**

1. The Respondent is a for-profit Florida corporation that has made no appearance in this matter during the course of the proceedings.

2. The Respondent was registered by the Department of Financial Institutions (hereinafter, "Department") as a mortgage lender under the Mortgage Act thru December 31, 2008, having been issued certificate of registration number 3214.

3. In October, 2008, the Petitioner had its examiners conduct a compliance examination of the Respondent's mortgage business under authority of the Mortgage Act.

4. On October 16, 2008, the examiners completed a Report of Examination in which they cited the Respondent for violating the Mortgage Act by originating mortgage loans using the services of unregistered mortgage loan originators.

5. A mortgage loan originator is an individual who originates a mortgage loan on behalf of a licensed or registered mortgage lender or broker, such as by taking an application from a prospective borrower. Pursuant to Tenn. Code Ann. § 45-13-127(b), it is required that a mortgage loan application include the name and signature of the mortgage loan originator who took the application. The Petitioner's examiners review mortgage loan applications to determine what individual originated the loan.

6. An individual by the name of Stacy Floyd took a mortgage loan application on behalf of the Respondent in regards to loan number 7086957. The loan closed on June 11, 2008, at which time the Respondent was paid compensation for originating the loan.

7. An individual by the name of Jeri Lentz took a mortgage loan application on behalf of the Respondent in regards to loan number 555-06-0000268. The loan closed on April 11, 2007, at which time the Respondent was paid compensation for originating the loan.

8. An individual by the name of Jeri Lentz took a mortgage loan application on behalf of the Respondent in regards to loan number 444-06-0000010. The loan closed on July 24, 2007, at which time the Respondent was paid compensation for originating the loan.

9. An individual by the name of Danny Murray took a mortgage loan application on behalf of the Respondent in regards to loan number 5550700418. The loan closed on May 30, 2008, at which time the Respondent was paid compensation for originating the loan.

10. An individual by the name of Danny Murray took a mortgage loan application on behalf of the Respondent in regards to loan number 501865710. The loan closed on January 16, 2008, at which time the Respondent was paid compensation for originating the loan.

11. An individual by the name of Danny Murray took a mortgage loan application on behalf of the Respondent in regards to loan number 501890816. The loan closed on January 25, 2008, at which time the Respondent was paid compensation for originating the loan.

12. An individual by the name of Danny Murray took a mortgage loan application on behalf of the Respondent in regards to loan number 5550800132. The loan closed on July 8, 2008, at which time the Respondent was paid compensation for originating the loan.

13. No individual by the name of Stacy Floyd has ever been registered with the Department as a mortgage loan originator of the Respondent.

14. No individual by the name of Jeri Lentz has ever been registered with the Department as a mortgage loan originator of the Respondent.

15. No individual by the name of Danny Murray has ever been registered with the Department as a mortgage loan originator of the Respondent.

### **CONCLUSIONS OF LAW**

16. Tenn. Code Ann. § 45-13-126(a) provides that, “before an individual may provide services as a mortgage loan originator for a licensee or registrant, that individual shall be registered with the commissioner in affiliation with that licensee or registrant.” Mortgage loan origination services are defined at Tenn. Code Ann. §§ 45-13-102(12) and (13) to include the solicitation, placement, negotiation, or origination of a mortgage loan.

17. The above findings of fact show by a preponderance of the evidence that the Respondent, a registrant, originated seven (7) mortgage loans using the services of Stacy Floyd, Jeri Lentz, and Danny Murray, who have never been registered with the Department as mortgage loan originators of the Respondent. These facts constitute seven (7) violations of Tenn. Code Ann. § 45-13-126(a).

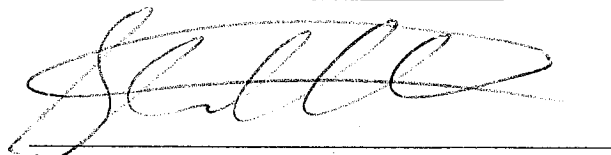
18. Tenn. Code Ann. § 45-13-116(3) provides that, if after notice and opportunity for a hearing, the Commissioner finds that a person has violated the Mortgage Act, the Commissioner may “Order the person to pay the commissioner a civil monetary penalty of not more than ten thousand dollars (\$10,000) for each violation of this chapter or administrative rule issued pursuant to this chapter.”

19. Because the Findings of Fact are sufficient to establish by a preponderance of the evidence that the Respondent has committed the seven (7) violations of the Mortgage Act stated above, there is authority under Tenn. Code Ann. § 45-13-116(3) to

order the Respondent to pay a civil monetary penalty of seventy thousand dollars (\$70,000).

**IT IS THEREFORE ORDERED, ADJUDGED AND DECREED** that the Respondent, Greater United Home Funding, Inc., **SHALL** pay to the Department of Financial Institutions within thirty (30) days a civil monetary penalty of seventy thousand dollars (\$70,000) for the seven (7) violations of Tenn. Code Ann. § 45-13-126(a).

This Initial Order entered and effective this 14TH day of SEPT., 2009.



Steve R. Darnell  
Administrative Law Judge

Filed in the Administrative Procedures Division this 14TH day of SEPT., 2009.



Thomas G. Stovall, Director

## **APPENDIX A TO INITIAL ORDER**

### **NOTICE OF APPEAL PROCEDURES**

#### **Review of Initial Order**

This Initial Order shall become a Final Order (reviewable as set forth below) fifteen (15) days after the entry date of this Initial Order, unless either or both of the following actions are taken:

(1) A party files a petition for appeal to the agency, stating the basis of the appeal, or the agency on its own motion gives written notice of its intention to review the Initial Order, within fifteen (15) days after the entry date of the Initial Order. If either of these actions occurs, there is no Final Order until review by the agency and entry of a new Final Order or adoption and entry of the Initial Order, in whole or in part, as the Final Order. A petition for appeal to the agency must be filed within the proper time period with the Administrative Procedures Division of the Office of the Secretary of State, 8<sup>th</sup> Floor, William R. Snodgrass Tower, 312 Eighth Avenue N., Nashville, Tennessee, 37243. (Telephone No. (615) 741-7008). See Tennessee Code Annotated, Section (T.C.A. §) 4-5-315, on review of initial orders by the agency.

(2) A party files a petition for reconsideration of this Initial Order, stating the specific reasons why the Initial Order was in error within fifteen (15) days after the entry date of the Initial Order. This petition must be filed with the Administrative Procedures Division at the above address. A petition for reconsideration is deemed denied if no action is taken within twenty (20) days of filing. A new fifteen (15) day period for the filing of an appeal to the agency (as set forth in paragraph (1) above) starts to run from the entry date of an order disposing of a petition for reconsideration, or from the twentieth day after filing of the petition, if no order is issued. See T.C.A. §4-5-317 on petitions for reconsideration.

A party may petition the agency for a stay of the Initial Order within seven (7) days after the entry date of the order. See T.C.A. §4-5-316.

#### **Review of Final Order**

Within fifteen (15) days after the Initial Order becomes a Final Order, a party may file a petition for reconsideration of the Final Order, in which petitioner shall state the specific reasons why the Initial Order was in error. If no action is taken within twenty (20) days of filing of the petition, it is deemed denied. See T.C.A. §4-5-317 on petitions for reconsideration.

A party may petition the agency for a stay of the Final Order within seven (7) days after the entry date of the order. See T.C.A. §4-5-316.

### **YOU WILL NOT RECEIVE FURTHER NOTICE OF THE INITIAL ORDER BECOMING A FINAL ORDER**

A person who is aggrieved by a final decision in a contested case may seek judicial review of the Final Order by filing a petition for review in a Chancery Court having jurisdiction (generally, Davidson County Chancery Court) within sixty (60) days after the entry date of a Final Order or, if a petition for reconsideration is granted, within sixty (60) days of the entry date of the Final Order disposing of the petition. (However, the filing of a petition for reconsideration does not itself act to extend the sixty day period, if the petition is not granted.) A reviewing court also may order a stay of the Final Order upon appropriate terms. See T.C.A. §4-5-322 and §4-5-317.